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UNCLAS SECTION 01 OF 03 KATHMANDU 000262

SIPDIS

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STATE FOR SA/INS AND DS/IP/SA
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LONDON FOR POL - RIEDEL
TREASURY FOR DAS JZARATE
JUSTICE FOR OFFICE OF THE DEPUTY ATTORNEY GENERAL (DLAUFMAN)

E.O. 12958: N/A

TAGS: [PTER](#) [PGOV](#) [CASC](#) [NP](#)

SUBJECT: NEPAL: MAOIST CEASEFIRE GENERALLY HOLDING;
EXTORTION CONTINUES

REF: A. (A) KATHMANDU 0175

[B.](#) (B) KATHMANDU 0185

[C.](#) (C) KATHMANDU 0217

SUMMARY

[1](#)1. (SBU) The Maoist insurgent leadership seems to be enforcing so far the moratorium on armed violence among its lower-level cadre across the country. There have been no reports of violations of the ceasefire, although extortion of funds from major business houses reportedly continues. Revised Rules of Engagement have yet to be adopted by either side, although Maoist leader Prachanda has called for the Royal Nepal Army to return to the barracks. The Maoists appear to be using the respite to rebuild some of the popular support squandered during more than a year of violent excesses and to mend fences with mainstream political parties. An agenda and schedule for anticipated negotiations between the Government of Nepal (GON) and the Maoists have not yet been agreed upon, nor has the GON announced the composition of its negotiating team. By cancelling a planned general strike and by naming two members of their top leadership as negotiators, the insurgents may be trying, at least initially, to win jaded public confidence in the sincerity of their negotiating efforts. End summary.

CEASEFIRE BRINGS WELCOME RESPITE FROM BLOODSHED, BANDHS

[1](#)2. (U) As of COB on February 12, the ceasefire between the Government of Nepal (GON) and Maoist insurgents announced the night of January 29 (Ref A) generally seems to be holding well, with only a few violations reported. The body of a policeman who had been abducted two weeks previously was found in the far western district of Kanchanpur the morning after the ceasefire announcement; it was unclear when he had been killed. Similarly, the body of a young man abducted from his home by Maoists in southwestern Dang district before the ceasefire was discovered on February 11. Local media reports speculated that he had been killed before the ceasefire was announced, but offered no basis for that assumption. On February 3 suspected Maoists abducted brothers Juthe and Durga Bahadur Nepali from their home in the mid-western district of Surkhet. The brothers have not been seen since, and their whereabouts are unknown. (Note: During the July-November 2001 ceasefire, the Maoists kidnapped 23 Nepalis in separate incidents. End note.)

[1](#)3. (U) There have been no attacks reported against installations of the security forces since the January 29 announcement. Scattered accounts from locations across the country have begun to trickle into Kathmandu relating homecomings of long-lost Maoist cadre, the return of some civil servants to their long-abandoned posts, and apparent efforts, at least on the part of some insurgent commanders, to mend fences with local residents and mainstream political activists alienated by Maoist violence and excesses over the past year. Reported Maoist approaches to encouraging such dialogue range from the seemingly democratic and high-minded (a roundtable conference in Rolpa to which local representatives of all mainstream political parties were invited) to the more typically heavy-handed (armed cadre forcing villagers to attend lengthy, ideological harangues in the north-central districts of Baglung and Myagdi). The Maoists and their affiliated student wing cancelled the respective national strikes, or "bandhs," they had scheduled to take place from February 13, in commemoration of the beginning of the insurgency, as a sign of good faith (Refs B and C).

WHAT'S OKAY AND WHAT'S NOT?
STILL UNCLEAR

14. (SBU) Although there have been no armed engagements between the security forces and the Maoists since January 29, the lack of terms of reference or a mutually accepted "code of conduct" for the ceasefire makes it difficult to determine whether there have been violations. (Note: During the 2001 ceasefire--which also lacked a "code of conduct"--the GON nonetheless catalogued 87 violations by the Maoists in the first two months. End note.) In the absence of such terms of reference or amended rules of engagement, mutual accusations of violations are beginning to surface. The security forces continue to conduct armed patrols--and, in some cases, to arrest suspected Maoists--prompting a call from Maoist leader Prachanda for the Royal Nepal Army (RNA) to "be called back to the barracks and (stop) unnecessary raids and spying in plainclothes." Curfews continue to be enforced in some districts. At the same time, reports of armed Maoists cadre holding open public meetings--including some with forced local participation--and stories in the media of armed Maoists carrying out "guerrilla training" in certain districts have elicited calls from various observers for the Maoists to disarm before negotiations.

15. (SBU) Nor have the Maoists suspended their extensive (and apparently lucrative) practice of extortion during the ceasefire. The POL/ECON section polled eight of the largest Nepali business houses by telephone one week after the ceasefire was announced; five of the eight reported having received extortion demands since the announcement, and the remaining three fully expected to hear from their "contacts" in the near future. Citing the Maoists' unflagging fundraising activities, some of the businessmen expressed skepticism that the insurgents are sincere about seeking a peaceful resolution to the conflict.

16. (U) On February 11 the National Human Rights Commission (NHRC) proposed a six-point code of conduct to both the GON and the Maoists. Echoing some of the more recent Maoist demands (see below), the NHRC document called on the GON to repeal the Terrorist and Destructive Activities Act (which allows suspects to be held without charge for 60 days) and to order the Royal Nepal Army back to barracks. Under the proposed code, the Maoists would refrain from murder, abduction, planting explosive devices, and extorting money. Neither side has responded to the NHRC proposal.

MAOIST TEAM READY; GON'S IS NOT

17. (SBU) Following quickly upon the ceasefire announcement, the Maoists promptly named the members of their team for prospective negotiations, which included two of the seniormost insurgent leadership (Ref A). (Note: A GON participant in the unsuccessful negotiations in 2001 noted that the Maoist representatives seemed to lack decision-making authority. The progress of negotiations was thus continuously impeded by the Maoists having to "check back in" with their senior leadership. End note.) The GON, in contrast, after initially naming Narayan Singh Pun, Minister of Physical Planning and Works, as lead "coordinator" for talks, has not moved as swiftly to announce the remaining members of its roster. For now, Pun continues to occupy the local news spotlight alone, reportedly shuttling back and forth to hammer out ground rules for negotiations with Maoist leaders, visiting mid-ranking Maoist suspects detained in Kathmandu jails, but remaining relatively closed-mouthed--especially in comparison to previous GON negotiators--about the substance of these discussions.

18. (U) No date, venue or agenda has yet been announced for talks. While the GON has not publicly announced any pre-conditions for negotiations, the Maoists are busily adding to their ever-expanding list. In a February 7 interview with a centrist Nepali-language newspaper, Maoist leader Prachanda, besides demanding the RNA return to barracks, called for the GON to publish a list of detainees "and start releasing them." A group of Maoist detainees in Kathmandu, meanwhile, is clamoring for the release of all Maoist suspects (not surprisingly); the abrogation of special anti-terrorism laws; and more equitable coverage in the state-owned media. The GON has not formally responded to these demands.

COMMENT

19. (SBU) What the Maoists hope to achieve through negotiations; whether they are seriously re-engaging with political parties; whether they believe they can use dialogue tactically to isolate and discredit the Palace; whether negotiations will take place at all--such questions remain unclear. Despite the numerous uncertainties that continue to surround efforts toward negotiations, the question of whether

the military wing of the Maoists, represented by several thousand gun-toting youths across the country, would accept a truce imposed by its political wing appears to have been answered for now. The fact that the far-flung Maoist cadre are observing the ceasefire with uncharacteristic discipline and restraint attests to the importance that their leadership is attaching to creating, at the very minimum, the appearance of "conducive conditions" for talks. The nomination of political ideologue Baburam Bhattarai and top military tactician Ram Bahadur Thapa to the negotiating team also seems calculated to dispel earlier rumors of a rift between the military and ideological wings of the insurgency, and offers some hope that the Maoists, should negotiations ensue, will be able to speak with a single, authoritative voice. But while the Maoists may be serious about creating "conducive conditions" for negotiations--perhaps in order to raise public hopes for success and thereby increase the pressure on the GON to ensure such success--we continue to be skeptical that they are equally serious about actually reaching a negotiated settlement that stops anywhere short of the one-party, autocratic state espoused in their rhetoric.

MALINOWSKI